

Snake River PCS

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MAR 14 2011

FCC Mail Room

Attn: Commissioner McDowell
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

RE: Comments on FCC Proposal 11-13

To Commissioner Robert McDowell:

CC: 96-45, 01-92
WC: 03-109, 05-337,
07-135, 10-90
GN: 09-51

February 28, 2011

This letter is in response to the FCC's request for comment on its proposed changes to Universal Service Fund, specifically the changes addressed in Section VI part D and the effects that these changes will have on Snake River Personal Communication Service (SRPCS). SRPCS is a Competitive Local Exchange Carrier who has elected to and receives support as an Eligible Telecommunications Carrier. SRPCS was founded to provide wireless voice (and now data) service to the residents of an extremely rural part of Baker County, Oregon. The area surrounding the City of Richland and the community of Halfway, Oregon includes a number of other smaller cities and unincorporated townships as well as the remote back-country playgrounds of Hells Canyon National Recreation Area and the Eagle Cap Wilderness Area.

We agree with the Commission's position that change is required in the area of Identical Support and that the payments SRPCS receives are not calculated on a rational basis, however, without some level of support SRPCS will not be able to continue providing service to residents of this extremely rural area. The benefits that SRPCS provides to the residents and visitors of its service area are significant and described as follows:

1. SRPCS is the only carrier in the area to provide wireless service, including 911 Emergency Services to a 60 mile stretch of the Snake River Corridor, including Hells Canyon National Recreation Area. In addition, SRPCS provides mobile service to Idaho Power employees who work and live in the villages at Brownlee Dam, Oxbow Dam, and Hells Canyon Dam. Hells Canyon is a major tourist destination for whitewater rafting, jet-boating, hiking and fishing. The area drew 400,000 visitors in 2009. Due to its rugged terrain and the adventure sports they participate in, some visitors and locals alike have become lost or injured. Wireless service in this area can save lives.
2. SRPCS provides wireless coverage further into the Eagle Cap Wilderness Area than any other carrier which has the same benefits to the community as those described in item 1. The Eagle Cap Mountains attracts many snow sport enthusiasts as well, making immediate communication even more important, as winter weather is notoriously unforgiving in this part of the state.
3. SRPCS provides skilled jobs, which support local families and face to face customer service that residents of major cities enjoy on a daily basis and ultimately take for granted. Should SRPCS lose its funding, these jobs would be replaced by one or two service technicians based miles away and an 800 number for customer service related questions. SRPCS' current customers would then have to drive 90 miles or more to obtain, repair, or replace a cell phone. Some call

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this efficiency, but to the citizens of this area it is simply unfair. Rural communities should be provided the same communication and customer service opportunities enjoyed by residents of larger cities.

4. SRPCS is the only wireless carrier to provide service to 30+ miles of the treacherous Highway 86 which links the communities of Halfway and Richland to the Interstate Highway System.

SRPCS needs some level of funding to cover the added costs associated with transportation of traffic out to the rest of the world and maintenance of sites year-round in rugged terrain that annually accumulates many feet of snow. The FCC's proposal details market driven policies and lower cost of service which seems to favor a major carrier providing service to this area; please note that two major carriers are in this area, but both co-locate on one tower. That tower is focused on the major population centers, but not the areas indicated in the points above, which, we believe, are areas that must be covered in a society with the technological capacity of the one we live in today. Additionally, those carrier's service has been unreliable and periodically down for considerable amounts of time because technicians do not live locally. The tower is not hooked up to electricity, but is instead powered by a gas generator which is prone to outages.

A testament to the service that SRPCS provides is that of the approximately 1,000 individuals who live within this service area more than 700 of those use SRPCS' service. SRPCS wins its customers because of local coverage and customer service that is far better than the major carriers, this is all despite the fact that these customers pay an additional amount for roaming out of the service area. SRPCS' location is a perfect example of a situation where market driven policies will not work. In a competitive market situation the company that can provide the best service at the best price succeeds. SRPCS owns more than 70% of the market in its service area, yet it still needs additional support to continue providing that service. The reason for this is that there simply is not the population to support a local wireless phone company off of customer fees alone. The Universal Service Fund (USF) was originally set up to provide all Americans with the same level of service at a similar price point regardless of where they live. The market driven policies of the FCC's National Broadband Plan, in this instance, run contrary to the USF's original purpose.

SRPCS is taking the initiative to reduce costs and is currently working with major carriers such as Verizon to bring per minute roaming charges down from \$0.75 to a more favorable amount and with neighboring carriers to reduce the cost of transporting traffic out to the rest of the world. While these cost cuts will help, SRPCS will continue to need some level of support funding in the future. We propose that the FCC add a simple support mechanism to provide rational, cost based funding to rural wireless carriers to compensate them for the added costs of transporting traffic and site maintenance which would replace the Identical Support Rule. SRPCS would be happy to provide the FCC with more information to assist them in responding to this need. The owners and customers of SRPCS who live and work in this extremely remote area see a great deal of benefit to working out an agreeable alternative to Identical Support. This alternative action will enable companies such as SRPCS to continue providing service to the residents and visitors of small, remote regions indefinitely; regions which are impossible to adequately cover at market rates.

Sincerely,



Michael Lattin, President
Snake River Personal Communication Service